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CONTRACT FOR THE SALE OF LAND TO REDEVELOPER

BETWEEN

THE CITY OF NEWARK THROUGH THE DEPARTMENT OF DEVELOPMENT

AND

K. HOVNANIAN AT NEWARK II, INC.

PROJECT: UNIVERSITY HEIGHTS REDEVELOPMENT PLAN  
NEWARK, NEW JERSEY

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ATTORNEY FOR THE CITY OF NEWARK  
920 BROAD STREET  
NEWARK, NEW JERSEY 07102

ExHIBIT 3

KHOV010104

## GENERAL TERMS AND CONDITIONS

The following terms and conditions shall be applicable to each of the sites more specifically identified herein and the obligations imposed herein shall be binding upon the respective parties for the entire project.

### A. Site(s) Provisions

#### Section 3.1 CONTINGENCIES: OBLIGATION OF REDEVELOPER TO SATISFY CONTINGENCIES

##### 3.1a Approval of Conceptual Site Plan and Conceptual Major Subdivision Map.

Redeveloper shall at its own cost, within 60 days from the date hereof, cause to be prepared by a licensed engineer of the State of New Jersey and submitted to the Agency for approval a conceptual site plan for the construction of the Improvements upon the Land, consistent with the Redevelopment Plan ("Conceptual Site Plan") and a conceptual major subdivision map ("Conceptual Major Subdivision Map") showing the subdivision of the Land into separate Subdivided Lots and a metes and bounds, description of each Subdivided Lot, all in accordance with applicable Legal Requirements. The Agency shall have a period of 10 days after receipt thereof to approve such Conceptual Site Plan and Conceptual Major Subdivision Map in accordance and consistent with the Redevelopment Plan and City Site Plan Ordinance or to furnish to Redeveloper in writing any changes or modifications required to be made in order that such Plan and/or Map complies with the Redevelopment Plan.

connection therewith unless first indemnified by Redeveloper.

Section 3.2 Obligations After Satisfaction of Contingencies and Prior to Transfer of Initial Site.

3.2a Changes to Plans and Specifications.

If the Redeveloper desires to make any change in the Plans and Specifications after their approval by the Agency, and the public authority having jurisdiction to obtain site plan and major subdivision, the Redeveloper shall submit the proposed change to the Agency for its approval. If the Plans and Specifications, as modified by the proposed change, conform to the requirements of Section 3.1e hereof, the Agency shall approve the proposed change and notify the Redeveloper in writing of its approval. Such change in the Plans and Specifications shall, in any event, be deemed approved by the Agency unless rejection thereof in whole or in part, by written notice thereof by the Agency to the Redeveloper, setting forth in detail the reasons therefor and shall be made within fifteen (15) days from the Redeveloper's submission of the proposed change.

Section 3.3 Restrictions on Use and Encumbrances.

3.3a 1. Deed Restrictions.

The Redeveloper agrees for itself, and its successors and assigns, and every successor in interest to the Land, or any part thereof, and each Deed to a site shall contain covenants on the part of the Redeveloper for itself, and its successors and assigns, that the Redeveloper and its successors and assigns shall:

redeveloper, a full time affirmative action monitor to assist the redeveloper in contracting with qualified minority concerns and to monitor the redeveloper's compliance with the City's affirmative action guidelines.

Section 3.6 Termination by Redeveloper Prior to Conveyance.

In the event the Agency does not tender conveyance on the title provided herein, or possession thereof in the manner and condition provided in this Agreement, and such failure should not be cured within the time frame and through the process as detailed in Section 3.29 of this Agreement; then the Agreement shall at the option of the Redeveloper, be terminated by written notice thereof to the Agency, and pursuant to Section 3.1c neither the Agency nor the Redeveloper shall have any further rights against or liability to the other under the Agreement.

Section 3.7 Access and Testing.

(i) The City shall provide the Redeveloper, upon the execution of this Agreement with written authorization to enter upon and conduct such tests as are necessary to prepare for construction on all properties within the sites for which title is held by the City. For those properties not currently owned by the City, this authorization shall be provided within 30 days after the City's taking of title.

Section 3.12 Waiver of Claims and Joining in Petitions  
by Redeveloper.

The Redeveloper hereby waives (as the purchaser of the Property under the Agreement and as the owner after the conveyance of the Property provided for in the Agreement) any and all claims to awards of damages, if any, to compensate for the closing, vacation, or change of grade of any street, alley, or other public right-of-way within or fronting or abutting on, or adjacent to, the Property which, pursuant to Sections 4.6, 4.8, 5.7, 5.9, 6.7, 6.9, 7.7 and 7.9 herein is to be closed or vacated, or the grade of which is to be changed, and shall upon the request of the Agency subscribe to, and join with, the Agency in any petition or proceeding required for such vacation, dedication, change of grade, and, to the extent necessary, rezoning, and execute any waiver or other document in respect thereof.

Section 3.13 Tax Abatement.

It is understood by the parties that it is essential to the future success of the residential development that real estate tax incentives be offered to contract purchasers. Towards that end, the City agrees to make available to any such purchasers and owners, either directly or through redeveloper or a qualified entity designated by redeveloper, upon proper good faith application, the benefit of tax abatement in such a manner that the residential units owned by the private purchasers shall